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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 204, 232, 239, and Appendix F to Chapter 2

RIN 0750-AI54

**Defense Federal Acquisition Regulation Supplement: Uniform
Procurement Identification (DFARS Case 2015-D011)**

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to comply with the uniform procurement identification procedures implemented in the Federal Acquisition Regulation (FAR).

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before **[Insert date 60 days after date of publication in the FEDERAL REGISTER]**, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2015-D011, using any of the following methods:

- o Regulations.gov: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by entering "DFARS

Case 2015-D011" under the heading "Enter keyword or ID" and selecting "Search." Select the link "Submit a Comment" that corresponds with "DFARS Case 2015-D011." Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "DFARS Case 2015-D011" on your attached document.

- o E-mail: osd.dfars@mail.mil. Include DFARS Case 2015-D011 in the subject line of the message.

- o Fax: 571-372-6094.

- o Mail: Defense Acquisition Regulations System, Attn: Ms. Jennifer Johnson, OUSD(AT&L)DPAP/DARS, Room 3B941, 3060 Defense Pentagon, Washington, DC 20301-3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check www.regulations.gov, approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

FOR FURTHER INFORMATION CONTACT: Jennifer Johnson, telephone 571-372-6176.

SUPPLEMENTARY INFORMATION:

I. Background

DoD is proposing to revise the DFARS to comply with the uniform procurement identification procedures implemented in the

FAR through final rule 2012-023 (79 FR 61739, effective November 13, 2014). The final FAR rule implemented a uniform award identification system among various procurement transactions across the Federal Government, as recommended by the Government Accountability and Transparency Board. DFARS coverage of uniform procurement identification must be synchronized with the FAR coverage so that the identification numbers of DoD-issued contracts, orders, and other procurement instruments will comply with FAR subpart 4.16 as amended by final FAR rule 2012-023.

II. Discussion

This rule proposes to make the following amendments to the DFARS and its Appendix F:

- Subpart 204.70, Uniform Procurement Instrument Identification Numbers, is amended to relocate all text to subpart 204.16 and to revise the relocated text to comply with FAR subpart 4.16. Subpart 204.70 is reserved.
- Subpart 232.9, Prompt Payment, is amended to clarify the task and delivery order numbers for use on invoices and receiving reports.
- Subpart 239.74, Telecommunications Services, is amended to remove text on the type of procurement instrument.
- Appendix F, Material Inspection and Receiving Report, is amended to clarify the task and delivery order numbers for use on receiving reports.

III. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

IV. Regulatory Flexibility Act

DoD does not expect this proposed rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because the rule implements procurement instrument identification procedures that are similar to procedures DoD has used for many years. However, an initial regulatory flexibility analysis has been performed and is summarized as follows:

DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to comply with the uniform

procurement identification procedures implemented in the Federal Acquisition Regulation (FAR) through final FAR rule 2012-023.

Final FAR rule 2012-023 implemented a uniform award identification system among various procurement transactions across the Federal Government, as recommended by the Government Accountability and Transparency Board. DFARS coverage of uniform procurement identification must be synchronized with the FAR coverage so that the identification numbers of DoD-issued contracts, orders, and other procurement instruments will comply with FAR subpart 4.16 as amended by final rule 2012-023.

DoD does not expect this rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. The proposed rule affects all DoD contractors who will receive new task or delivery orders against DoD-issued contracts, purchase orders, calls against DoD-issued blanket purchase agreements, orders against DoD-issued basic ordering agreements, and certain types of contracts beginning in fiscal year 2016. At this time, the exact number of small entities is unknown.

The projected recordkeeping is limited to that required to properly record contract and other procurement instrument identification numbers and input them in documents (e.g., invoices) as required under Government contracts. Preparation of these records requires clerical and analytical skills to

create the documents and input them into the appropriate electronic systems.

The rule does not duplicate, overlap, or conflict with any other Federal rules.

There are no known significant alternative approaches to the rule that would meet the requirements.

DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (DFARS Case 2015-D011), in correspondence.

V. Paperwork Reduction Act

This rule contains information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C chapter 35); however, these changes to the DFARS do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control Number 0704-0248, entitled Material Inspection and Receiving Report.

List of Subjects in 48 CFR Parts 204, 232, 239, and Appendix F to Chapter 2

Government procurement.

Amy G. Williams,

Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 204, 232, 239, and Appendix F to Chapter 2 are proposed to be amended as follows:

1. The authority citation for 48 CFR parts 204, 232, 239, and Appendix F to chapter 2 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

PART 204—ADMINISTRATIVE MATTERS

2. Add subpart 204.16 to read as follows:

Subpart 204.16—Uniform Procurement Instrument Identifiers

Sec.

204.1601 Policy.

204.1603 Procedures.

204.1670 Cross-reference to Federal Procurement Data System.

204.1671 Order of application for modifications.

Subpart 204.16—Uniform Procurement Instrument Identifiers

204.1601 Policy.

(a) Establishment of a Procurement Instrument Identifier (PIID). Do not reuse a PIID once it has been assigned. Do not assign the same PIID to more than one task or delivery order, even if they are issued under different base contracts or agreements.

(b) Transition of PIID numbering. Effective October 1, 2016, all components shall comply with the PIID numbering requirements of FAR subpart 4.16 and this subpart for all new solicitations, contracts, orders, and agreements issued, and any amendments and modifications to those new actions. Components are encouraged to transition to this numbering schema as soon as possible, but not earlier than October 1, 2015.

(c) Change in the PIID after its assignment. When this occurs, the new PIID is known as a continued contract.

(i) A continued contract—

(A) Does not constitute a new procurement;

(B) Incorporates all prices, terms, and conditions of the predecessor contract effective at the time of issuance of the continued contract;

(C) Operates as a separate contract independent of the predecessor contract once issued; and

(D) Shall not evade competition, expand the scope of work, or extend the period of performance beyond that of the predecessor contract.

(ii) When issuing a continued contract, the contracting officer shall—

(A) Issue an administrative modification to the predecessor contract to clearly state that—

(1) Any future awards provided for under the terms of the predecessor contract (e.g., issuance of orders or exercise of options) will be accomplished under the continued contract; and

(2) Supplies and services already acquired under the predecessor contract shall remain solely under that contract for purposes of Government inspection, acceptance, payment, and closeout; and

(B) Follow the procedures at PGI 204.1601(b).

204.1603 Procedures.

(a) Elements of a PIID. DoD-issued PIIDs are thirteen characters in length. Use only alpha-numeric characters, as prescribed in FAR 4.1603 and this subpart. Do not use the letter "I" or "O" in any part of the PIID. Follow PIID numbering procedures in FAR 4.1603(a).

(3) Position 9. Do not use letters identified in FAR 4.1603(a)(3) as "Reserved for future Federal Governmentwide use" or "Reserved for departmental use" in position 9 of the PIID.

(4) Positions 10 through 17. In accordance with FAR 4.1603(a)(4), DoD-issued PIIDs shall only use positions 10 through 13 to complete the PIID. Enter the serial number of the instrument in these positions. A separate series of serial numbers may be used for any type of instrument listed in FAR 4.1603(a)(3). Components assign such series of PIID numbers

sequentially. A component may reserve blocks of numbers or alpha-numeric numbers for use by its various components.

(b) Elements of a supplementary PIID. Follow supplementary PIID numbering procedures in FAR 4.1603(b) in addition to the requirements contained in paragraphs (2) (ii) (1) through (3) of this section.

(2) (ii) Positions 2 through 6. In accordance with FAR 4.1603(b) (2) (ii), DoD-issued supplementary PIIDs shall, for positions 2 through 6 of modifications to contracts and agreements, comply with the following:

(1) Positions 2 through 3. These are the first two digits in a serial number. They may be either alpha or numeric. Use the letters K, L, M, N, P, Q, S, T, U, V, W, X, Y, or Z only in position 2 and only in the following circumstances—

(i) Use K, L, M, N, P, and Q in position 2 only if the modification is issued by the Air Force and is a provisioned item order.

(ii) Use S, and only S, in position 2 to identify modifications issued to provide initial or amended shipping instructions when—

(a) The contract has either FOB origin or destination delivery terms; and

(b) The price changes.

(iii) Use T, U, V, W, X, or Y, and only those characters, in position 2 to identify modifications issued to provide initial or amended shipping instructions when—

(a) The contract has FOB origin delivery terms;
and

(b) The price does not change.

(iv) Only use Z in position 2 to identify a modification which definitizes a letter contract or a previously issued undefinitized modification.

(2) Positions 4 through 6. These positions are always numeric. Use a separate series of serial numbers for each type of modification listed in paragraph (b)(2)(ii) of this section. Examples of proper numbering for positions 2-6 (the first position will be either "A" or "P") are as follows:

Normal Modification	Provisioned Items Order (Reserved for exclusive use by the Air Force only)	Shipping Instructions
00001 — 99999	K0001 — K9999	S0001 — S9999
then	KA001 — KZ999	SA001 — SZ999
A0001 — A9999	L0001 — L9999	T0001 — T9999
B0001 — B9999	LA001 — LZ999	TA001 — TZ999
and so on to	M0001 — M9999	U0001 — U9999
H0001 — H9999	MA001 — MZ999	UA001 — UZ999
then	N0001 — N9999	V0001 — V9999

J0001 – J9999	NA001 – NZ999	VA001 – VZ999
then	P0001 – P9999	W0001 – W9999
R0001 – R9999	PA001 – PZ999	WA001 – WZ999
then	Q0001 – Q9999	X0001 – X9999
AA001 – HZ999	QA001 – QZ999	XA001 – XZ999
then		
JA001 – JZ999		Y0001 – Y9999
RA001 – RZ999		YA001 – YZ999

(3) If the contract administration office is changing the contract administration or disbursement office for the first time and is using computer generated modifications to notify many offices, it uses the six position supplementary number ARZ999. If either office has to be changed again during the life of the contract, the supplementary number will be ARZ998, and on down as needed.

204.1670 Cross-reference to Federal Procurement Data System.

Detailed guidance on mapping PIID and supplementary PIID numbers stored in the Electronic Document Access system to data elements reported in the Federal Procurement Data System can be found in PGI 204.1604-70.

204.1671 Order of application for modifications.

(a) Circumstances may exist in which the numeric order of the modifications to a contract is not the order in which the changes to the contract actually take effect.

(b) In order to determine the sequence of modifications to a contract or order, the modifications will be applied in the following order:

(1) Modifications will be applied in order of the effective date on the modification.

(2) In the event of two or more modifications with the same effective date, modifications will be applied in signature date order.

(3) In the event of two or more modifications with the same effective date and the same signature date, procuring contracting office modifications will be applied in numeric order, followed by contract administration office modifications in numeric order.

Subpart 204.70 [Removed and Reserved]

3. Remove subpart 204.70, consisting of sections 204.7000 through 204.7007.

PART 232—CONTRACT FINANCING

4. Add section 232.905 to subpart 232.9 to read as follows:

232.905 Payment documentation and process.

(b)(1)(iii) For task and delivery orders numbered in accordance with FAR 4.1603 and DFARS 204.1603, the 13-character

order number will serve as the contract number on invoices and receiving reports. Task and delivery orders numbered with a four-position alpha-numeric call/order serial number shall include both the 13-position basic contract Procurement Instrument Identifier and the four-position order number.

PART 239—ACQUISITION OF INFORMATION TECHNOLOGY

239.7407 [Removed and Reserved]

5. Remove and reserve section 239.7407.

6. Amend Appendix F to Chapter 2, in section F-301, by revising paragraph (b)(1) to read as follows:

Appendix F to Chapter 2—Material Inspection and Receiving Report

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F-301 Preparation instructions.

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(b) * * *

(1) Contract no/delivery order no.

(i) Enter the 13-position alpha-numeric basic Procurement Instrument Identifier (PIID) of the contract. For task and delivery orders numbered in accordance with FAR 4.1603 and DFARS 204.1603, enter the 13-character order number only. If the order has only a four-position alpha numeric call/order serial number; enter both the 13-position basic contract PIID and the four-position order number.

(ii) Except as indicated in paragraph (b)(1)(iii) of this appendix, do not enter supplementary numbers used in conjunction with basic PIIDs to identify—

(A) Modifications of contracts and agreements;

(B) Modifications to calls or orders; or

(C) Document numbers representing contracts written between contractors.

(iii) When shipping instructions are furnished and shipment is made before receipt of the confirming contract modification (SF 30, Amendment of Solicitation/Modification of Contract), enter a comment in the Misc. Info Tab to this effect. This will appear in the Comments section of the printed WAWF RR.

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